

# Office of the Arizona State Treasurer

1700 WEST WASHINGTON STREET  
PHOENIX, ARIZONA  
85007



Request for Proposal #12-02  
For

## **Arizona Electronic Tax Collection Program**

Sealed Written Proposals will be  
Accepted until 2:00 p.m. (MST)  
Monday, July 23, 2012

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**Office of the Arizona State Treasurer**

**Request for Proposal # 12-02**

**Arizona Electronic Tax Collection Program**

## **Introduction**

This document constitutes a Request for Proposal via competitive sealed bids, from qualified organizations to perform the Scope of Work set forth herein.

It is the intent of this RFP to work in conjunction with the Arizona Department of Revenue (ADOR) to provide Arizona taxpayers the ability, through the Contractor, to pay taxes using major credit cards as an alternative to customary tax remittance processes. The Contractor will be an authorized agent of the State pursuant to A.R.S. § 35-142 (K) for the sole purpose of providing this service.

As payment for the availability and convenience of the activity, the Contractor shall charge the credit card of the taxpayers for fees in an amount the Contractor and the State agree may be charged to the taxpayers using the system(s). This is an agreement for which there is no cost to the State of Arizona. The Contractor is remunerated for services performed through its retention of the fees charged to users at levels agreed upon between the State and the Contractor. No proposal requiring funding from or by the State will be considered.

The successful contractor will be under contract by the State Treasurer and Department of Revenue for the period of November 16, 2012 through November 16, 2015 (initial contract term is three years), with two possible one-year extensions thereafter. This contract may be used to provide similar services, in the future, to other state agencies. All formal inquiries or requests for significant or material clarification or interpretation must be directed in writing or by e-mail to: Arizona State Treasurer's Office, 1700 West Washington, Phoenix, Arizona 85007, [azonlinetaxrfp@aztreasury.gov](mailto:azonlinetaxrfp@aztreasury.gov).

## Offer and Acceptance

### Offer

The undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, scope of work and amendments to the solicitation.

Contractor

By \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

By signature in the offer section above, the Contractor certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The Contractor shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-9 or A.R.S. 41-1461 through 1465.
3. The Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization **\_\_\_ IS/ \_\_\_ IS NOT** a small business with less than 100 employees or has gross revenues of \$4 million or less.
5. In accordance with A.R.S. §35-393, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.
6. In accordance with A.R.S. §35-391, the offeror hereby certifies that the Offeror does not have scrutinized business operations in Sudan.

### Acceptance

The Offer is hereby accepted.

Office of the State Treasurer

By \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

## **Background and Purpose**

- Through this agreement, the State makes available a credit card payment service to the public. The service will be used by taxpayers to make payments to the State with credit cards.
- The service the Contractor will provide is to be offered to the public as a convenient and efficient interface with the State, as an alternate method of making payments, and as a method which will allow the taxpayer to manage cash flow through the delayed billing embodied in credit card usage methodology.
- This is an agreement for: (1) the establishment, implementation, and operation of an interactive internet-based payment activity, (2) the establishment, implementation, and operation of an interactive voice prompted, voice and/or touch tone response driven tax payment activity, and (3), the establishment, implementation and operation for Point of Sale (POS) / Retail credit card terminals and processing at multiple State locations.

## **Special Instructions to Contractors**

### **Costs**

This is a contract for which there is no cost to the State of Arizona. The Contractor must provide a firm, fixed price for all requirements set forth in this request for proposal. The convenience fee will be clearly stated. The convenience fee will also be inclusive of all costs associated with the transactions. The convenience fee rate will be one component used to base the award.

### ***Proposal Submittals***

Proposals are due at the address listed below on or before 2:00 p.m. (MST) on Monday, July 23, 2012. Responses must include an original plus five (5) additional copies that will be used in the evaluation process. The original copy of the Proposal should be clearly labeled "ORIGINAL". The material should be in sequence and related to the Request for Proposal. In addition, the Contractor must provide a complete electronic version of the proposal via e-mail to [azonlinetaxrfp@aztreasury.gov](mailto:azonlinetaxrfp@aztreasury.gov) or on a CD addressed to Arizona State Treasurer's Office 1700 W. Washington 1<sup>st</sup> Floor Phoenix, Arizona 85007. The Contractor's name must appear in the e-mail title (i.e., XYZ Tax Program response to RFP) or be visibly printed on the CD. Proposals shall be prepared simply and economically, providing a straightforward, concise delineation of Contractor's capabilities to satisfy the requirements of this RFP. Fancy bindings and colored displays or promotional material are not desired. All pages must be numbered. Proposals received after the date and time specified herein will not be considered. Proposals shall be opened publicly at the time and place designated on the cover page of this document. The name of each Contractor shall be read publicly and recorded. All other information contained in the proposals shall be confidential. Costs will NOT be read. Proposals will not be subject to public inspection until after contract award. Proposals shall be irrevocable offers for sixty (60) days after the due date.

Office of the State Treasurer  
Attn: Deputy Treasurer of Operations  
1700 W. Washington  
1<sup>st</sup> Floor  
Phoenix, AZ 85007

## Evaluation Process and Assessment Criteria

Conformance to the Scope of Work	20 %
Conformance to the Terms and Conditions	20 %
Convenience Fee rate	20 %
Service Level	20 %
Experience	20 %

The Contractor's proposals will be assessed by using the following two-step process and the factors described below.

### Step 1

The State will review the proposal and communicate to the Contractor uncertainties that are identified in the proposal. Such communications will be for the purpose of clarification. They will not be used to cure significant omissions in the proposal, materially alter the proposal, or otherwise elicit significant revisions to the proposal. Any proposal containing significant omissions or ambiguities will no longer be considered. The State will make this determination on a pass/fail basis. Proposals that pass by complying with adherence to the scope and proposing Agreements that are achievable in time to meet the operational requirements detailed in the scope of work will move to the next step.

### Step 2

Contractors who submit proposals that pass Step 1 will be notified and become subject to the Acceptance Testing Procedures set forth in Attachment 3. Upon successful completion of every element of the acceptance testing procedure for the type of payment activity being offered, the State may execute written notice of acceptance of the service(s).

The Contractor is cautioned that it is the Contractor's sole responsibility to submit all required information and that the State of Arizona is under no obligation to solicit such information if it is not included with the request for proposal. Failure of the Contractor to submit such information may cause an adverse impact on the evaluation of the Contractor's proposal as to the responsiveness of the proposal and the responsibility of the Contractor. All responses to specific questions contained within the RFP shall be submitted as a separate document.

**Late Offers.** An Offer submitted after the exact Offer due date and time shall be rejected.

**Disqualification.** A Contractor (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its offer rejected.



**Offer Acceptance Period.** A Contractor submitting a proposal under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposal, a Contractor shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.

**Waiver and Rejection Rights.** Notwithstanding any other provision of the Solicitation, the State reserves the right to:

- Waive any minor informality;
- Reject any and all Offers or portions thereof; or
- Cancel the Solicitation.

**Awards.** The intent is to award the contract that is deemed to be in the State's best interest considering all factors. The State reserves the right to cancel this RFP at any time. As a result of this assessment, any or none of the proposed Agreements may be selected.

**Contract Inception.** An Offer does not constitute a Contract nor does it confer any rights on the Contractor to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the State Treasurer's Office via signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

**Effective Date.** The effective date of this Contract shall be the date that the State Treasurer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

**Protests.** A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted there under. Protests shall be in writing and be filed with the State Treasurer. A protest of a Solicitation shall be received by the State Treasurer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

The name, address and telephone number of the protester; The signature of the protester or its representative; Identification of the purchasing agency and the Solicitation or Contract number; A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and the form of relief requested.

**Conformance to Scope of Work.** The Contractor must present a written narrative which demonstrates the method or manner in which the Contractor proposes to satisfy the requirements of the Scope of Work. The language of the narrative should be straight forward and limited to fact, solutions to problems, and plans of proposed action. Please provide a diagram, with explanation, of how the transaction(s) will flow through the various stages.

# Uniform Instructions to Contractors

## *Inquiries*

Duty to Examine. It is the responsibility of each Contractor to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.

Solicitation Contact Person. Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Contractor shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.

Submission of Inquiries. The State Treasurer or the person identified in the Solicitation as the contact for inquiries requires that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.

Timeliness. Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.

No Right to Rely on Verbal Responses. A Contractor shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.

Solicitation Amendments. The Solicitation shall only be modified by a Solicitation Amendment.

Pre-Offer Conference. If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Contractors should raise any questions about the Solicitation or the procurement at that time. A Contractor may not rely on any verbal responses to questions at the conference. Material

issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.

Persons with Disabilities. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

Offshore Performance of Work Prohibited Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or “overhead” services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

## ***Offer Preparation***

Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for bids.

Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.

Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Contractor’s intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of intent to be bound, such as an original signature, shall result in rejection of the Offer.

Exceptions to Terms and Conditions. All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which

the Contractor clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the State Treasurer in a written statement. The Contractor's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.

Invitation for Bids. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.

Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An offer that takes exception to any material requirement of the solicitation may be rejected.

Subcontracts. Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.

Cost of Offer Preparation. The State will not reimburse any Contractor the cost of responding to a Solicitation.

Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.

Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.

Provision of Tax Identification Numbers. Contractors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.

Employee Identification. Contractor agrees to provide an employee identification number or social security number to the Department for the purposes of reporting to appropriate taxing authorities, monies paid by the Department under this contract. If the federal identifier of the Contractor is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials. This submission is mandatory under 26 U.S.C. § 6041A.

Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes

shall be included in the pricing offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.

Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Contractor shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Contractor shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.

Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

## ***Submission of Offer***

Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Contractor and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.

Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.

Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If a Contractor believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.

Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Contractor certifies that:

The Contractor did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and the Contractor does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

## **Special Terms and Conditions**

### ***Term of Contract***

The term of contract shall commence from November 16, 2012 and shall remain in effect for a period of three (3) years thereafter unless terminated, canceled or extended as otherwise provided herein. The State reserves the right to extend contract up to a maximum of twenty-four (24) months.

The contract shall not bind nor purport to bind, the State for any contractual commitment in excess of the original contract period. The State Treasurer shall have the right, at its sole option, to renew the contract for two (2) one-year renewals. If the State Treasurer exercises such rights, all terms, conditions and provisions of the original contract shall remain the same and apply during the renewal period.

### ***Project Management***

The Contractor shall appoint a project manager to be responsible for the planning; conduct progress; and successful completion of all activities during the contract period. The contractor shall notify ADOR in writing of any changes regarding the appointment prior to making the change. If such change creates a vacancy, the Contractor shall designate an individual to be responsible for the project manager's duties during the interim. The project manager shall provide the ADOR Comptroller a copy of the following audits performed no more than twelve (12) months ago within seven (7) days of issuance of the contract.

- SSAE-16
- PCI DSS
- BS27001
- NIST800-53(optional)

The project manager shall facilitate the response to ADOR questions concerning Physical and Information Security. The project manager shall not have authority to make changes in the scope or terms and conditions of the Agreement or to order extra goods or services beyond the quantities or time periods provided in the Schedule.

The Contractor shall, within seven (7) days after the award of the contract, submit a written identification and notification to the Office of the State Treasurer of the name, title, address, and telephone number of one (1) individual within its organization as a duly authorized representative to



whom all correspondence, official notices, and requests related to the contractor's performance pursuant to the contract shall be addressed. The Contractor shall have the right to change or substitute the name of the individual described above as deemed necessary with written approval of the State Treasurer.

The Office of the State Treasurer shall provide the contractor with the name(s) of a contact person who will coordinate all information to and/or from the Contractor.

The Contractor must utilize the State's merchant card processor. The Contractor may, but is not required to utilize the corresponding price structure. Currently that provider is Bank of America. The Contractor must demonstrate that it is PCI compliant as well as provide a commitment that the Contractor will always adhere to PCI standards.

### ***Offshore Performance of Work Prohibited***

Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or "overhead" services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

# Confidentiality of Taxpayer Information

## *Performance*

In consideration of the mutual benefits of the Agreement and in order to comply with all laws, ordinances, rules, and regulations protecting the confidentiality of taxpayer information, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements: All work will be done under the supervision of the Contractor or the Contractor's employees.

- Any return, return information, or payment information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material will be treated as confidential and will not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the Contractor will be strictly prohibited.
- All returns, return information, and payment information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
- The Contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of his or her computer facility, and no output will be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- Any spoilage or any intermediate hard copy printout that may result during processing of IRS data will be given to ADOR or its designee. When this is not possible, the Contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and will provide the agency or his or her designee with a statement containing the date of destruction, description of material destroyed, and the method used.

- All computer systems processing, storing, or transmitting Federal tax information must meet ISO STD 15408, called common criteria – functional (Protection Profile) and assurance (EAL). To meet functional and assurance requirements, the operating security features of the system must have the following minimum requirements: a security policy, accountability, assurance, and documentation. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.
- No work involving Federal tax information furnished under this contract will be subcontracted without prior written approval of the IRS.
- The Contractor will maintain a list of employees authorized access. Such list will be provided to the State Treasurer, and upon request, to the IRS reviewing office.
- The State Treasurer's Office will have the right to void the contract if the Contractor fails to provide the safeguards described above.

### ***Criminal/Civil Sanctions***

- Each officer or employee of any person to whom returns, return information, or payment information is or may be disclosed will be notified in writing by such person that returns, return information, or payment information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns, return information, or payment information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as five thousand dollars (\$5,000) or imprisonment for as long as five (5) years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns, return information, or payment information may also result in an award of civil damages against the officer or employee in an amount not less than one thousand dollars (\$1,000) with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n-1).
- Each officer or employee of any person to whom returns, return information, or payment information is or may be disclosed shall be notified in writing by such person that any return, return information, or payment information made available in any format shall be used

only for the purpose of carrying out this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as one thousand dollars (\$1,000) or imprisonment for as long as one (1) year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns, return information, or payment information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of one thousand dollars (\$1,000) for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.

- Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for the improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to Contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than five thousand dollars (\$5,000).

### ***Non-Availability of Funds***

Every payment obligation of the State, including continuing operation of the program, under this Agreement is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Agreement, this Agreement may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

## ***Audit of Records***

Pursuant to A.R.S. § 35-214, the Contractor shall retain and shall contractually require each subcontractor to retain all data, books and other records (“records”) relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce the original of any or all such records.

## ***Non-Discrimination Clause***

The Contractor shall comply with Executive Order 99-4, which mandates that all persons, regardless of race, color, religion, sex, age, national origin or political affiliation, shall have equal access to employment opportunities, and all other applicable State and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. The Contractor shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

## ***Applicable Law***

This Contract shall be governed and interpreted by the laws of the State of Arizona, including the Arizona Procurement Code (A.R.S. §§41-2501, et seq.) and the administrative rule promulgated there under (A.A.C. R2-7-901, et seq.).

## ***State Taxes***

A person who conducts business activity in Arizona, uses, consumes, or stores tangible personal property in Arizona, or transfers ownership of tangible personal property in Arizona must comply with State and local tax laws. For information on Individual and Corporate income taxes, contact ADOR at (602) 542-2132. For information on Arizona Transaction Privilege, Use and Withholding taxes, contact ADOR at (602)255-2060, Toll-Free within Arizona (800)843-7196 or visit the website at [www.azdor.gov](http://www.azdor.gov).

## ***Indemnity***

The Contractor agrees to indemnify and hold harmless the State and its directors, officers, employees and agents, against any and all losses,

liabilities, judgments, awards and costs (including legal fees and expenses) arising out of or related to any claim that the State's use or possession of the software, or the license granted hereunder, infringes or violates the copyright, trade secret or other proprietary right of any third party. The Contractor shall defend and settle at its sole expense all suits or proceedings arising out of the foregoing, provided the State gives the Contractor prompt notices of any such claim of which it learns. No settlement which prevents the State from continuing to use the software system as provided herein shall be made without the State's prior written consent. In all events, the State shall have the right to participate in the defense of any such suit or proceeding through counsel of its own choosing.

### ***Proposal Requirements***

The Contractor's proposal shall include narrative addressing the subject matter in statement of experience and capability, firm's approach and representations, certifications and other statements of offeror as applicable.

### ***Statement of Experience and Capability***

Please provide the following information:

- Brief historical summary of the firm, including its year of organization. (Please limit to 1 page)
- Description of the general capabilities of your firm, including information related to the total size and staffing, professional staff, and clerical support. (Please limit to 1 page)
- Description of your firm's specific experience in previously providing to the general public the same or similar services called for in the solicitation. Please provide no more than three references, including name and telephone number of contact persons who can discuss your firm's experience in providing these or similar services.
- Location of office(s) that would serve the State.

### ***Summary of Firm's Approach***

Please provide a narrative description of your proposed approach to complete the work outlined in the scope of work. Address implementation procedures to

be utilized, control and quality assurance measures, time lines and other pertinent elements. Particularly:

- Describe your firm's solution(s) utilized to provide the service(s) called for in the solicitation.
- Describe the service fee structure to be incurred by the taxpayer for credit card payment transactions. (Completion of Attachment 2)
- The Contractor must be capable of processing Visa, MasterCard, American Express and Discover.
- Describe the attention that will be given to this project, the resources that you will allocate, and your plan for managing and implementing the Agreement.
- Describe the definition of success for your solution and means of measuring quantifiable benefits for evaluating that success.
- Describe the duties and responsibilities of the State in fulfilling the proposed Agreement. Describe the duties and responsibilities the Contractor will assume in fulfilling the proposed Agreement.
- Describe the State's resource requirements if needed. Include the required type of support, number of personnel, and time frames for personnel. Include Point of Contact (POC) information (if different than provided in the Term of Contract) for management of the Agreement. Describe the POC's scope of authority and the resources available to the POC for ensuring the performance of the Agreement.
- Describe the target and time frames associated with implementing your proposal, including all deliverables. Clearly delineate the targets and time frames associated with each participant, the Contractor and the State.
- Describe how the Contractor will track and report the number of taxpayers that use the credit card payment option.

### ***Representations, Certifications, and Other Statements of Offers***

Please provide the following information:

- Include your Federal Identification Number (FIN).

- Include your type of business organization (i.e. corporation, individual, partnership, not-for-profit organization, or joint venture).
- Include Point of Contact (POC) information (name, address, phone number, e-mail address and fax number) for discussion and negotiation of your proposal. The POC shall have decision making (commitment) authority for the Contractor.
- Certification regarding a drug-free workplace.
- Contractor's responsibilities. To be deemed responsible, a Contractor must establish that it has:
  - a. Financial resources adequate to perform the agreement, or the ability to acquire them
  - b. Ability to comply with the required proposed delivery or performance schedule, taking into consideration all existing commercial and government business commitments
  - c. A satisfactory record of performance, which will include historical data regarding the accuracy rate and timeliness on file interface of transaction data for the previous five (5) years
  - d. The necessary organization, experience, accounting and operational control, and technical skills, or the ability to obtain them
  - e. Compliance with the applicable State licensing, tax laws, and regulations and that all are current
  - f. Comply with Arizona Strategic Enterprise Technology (ASET) Office Policies, Standards and Procedures (PSP). The Policies, Standards and Procedures can be found at the following web address; <http://azgita.gov/policies%5Fstandards/>
  - g. The necessary production, construction, and technical equipment and facilities, or the ability to obtain them.

The Contractor should include a statement that will be used by the Contractor in their marketing materials to the effect that the State does not endorse their product or service. The State reserves the right to require a specific disclaimer, including the following:

- A taxpayer's legal rights and responsibilities to comply with all applicable tax laws are not increased or diminished by use of credit card payment method(s). The taxpayer is responsible for the accuracy and content of a



payment made via credit card in the same manner as for a payment made by check, ACH debit, ACH credit, cash, or money orders.

- The State does not endorse any service provider or tax preparer. The State makes no representations, warranties, or guarantees as to the quality of service or of any product offered by a service provider or preparer. The State is not responsible for the disclosure of confidential taxpayer information attributable or caused by software providers, Internet service providers, tax preparers, communication service providers, the Internet, or other third parties. Service providers and preparers are solely responsible for protecting the confidentiality of taxpayer information within their control.

### ***Agreement Deliverables***

The project performance report required under Reports/File shall be submitted on the first day of each calendar month during the term of the Agreement to the contact appointed by the State Treasurer Office. This report should be used as a means to determine whether the Contractor has successfully performed the Agreement. This report is subject to inspection/verification and approval of the State and will be used to determine whether any option to extend the Agreement is exercised.

## Uniform Terms and Conditions

Definition of Terms. As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

“Attachment” means any item the Solicitation requires the Contractor to submit as part of the Offer.

“Bidder” means a Contractor who responds to a Solicitation.

“Contract” means the combination of the Solicitation, including the Uniform and Special Instructions to Contractors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.

“Contract Amendment” means a written document signed by the State Treasurer that is issued for the purpose of making changes in the Contract.

“Contractor” means any person who has a Contract with the State.

“Days” means calendar days unless otherwise specified.

“Exhibit” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.

“Gratuity” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.

“Materials” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.

“Offer” means bid, proposal or quotation.

“Procurement Officer” means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.

“Services” means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.

“Solicitation” means a Request for Proposals (“RFP”), or a Request for Quotations (“RFQ”).

“Subcontract” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.

“State” means the State of Arizona and Department or Agency of the State that executes the Contract.

“State Fiscal Year” means the period beginning with July 1 and ending June 30.

### ***Contract Interpretation***

Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.

Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:

- Special Terms and Conditions;
- Uniform Terms and Conditions;
- Scope of Work;
- Attachments;
- Special Instructions to Contractors;
- Uniform Instructions to Contractors;
- Documents referenced or included in the Solicitation.

Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.

Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.

No Parole Evidence. This Contract is intended by the parties as a final and

complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.

No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

## ***Contract Administration and Operation***

Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.

Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.

Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.

Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. The State Treasurer and an authorized Contractor representative may

change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the State Treasurer.

Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.

## ***Costs and Payments***

Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.

Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.

Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.

State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.

Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.

Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.

Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:

- Accept a decrease in price offered by the, contractor;
- Cancel the Contract;
- Cancel the Contract and re-solicit the requirements.

## ***Contract Changes***

Amendments. This Contract is issued under the authority of ARS 35-315 and the State Treasurer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the State Treasurer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.

Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the State Treasurer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.

Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the State Treasurer. The State shall not unreasonably withhold approval.

## ***Risk and Liability***

Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.

## ***Indemnification***

Contractor/Vendor Indemnification (Not Public Agency). The parties to this contract agree that the State of Arizona, its' departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers.

Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant

to A.R.S. § 41-621 and § 35-154, this section shall not apply.

### ***Force Majeure***

Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

Force Majeure shall not include the following occurrences:

Late delivery. of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

Late performance. by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

Inability. of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services applied by third parties to the Contractor, toward



fulfillment of this Contract.

## ***Warranties***

Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:

- of a quality to pass without objection in the trade under the Contract description;
- fit for the intended purposes for which the materials are used;
- within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- adequately contained, packaged and marked as the Contract may require; and conform to the written promises or affirmations of fact made by the Contractor.

Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

Inspection/Testing. The warranties set forth in this contract are not affected by inspection or testing of or payment for the materials by the State.

Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, State and Local laws, and the Contractor shall maintain all applicable licenses and permit requirements.

## **Survival of Rights and Obligations after Contract Expiration or Termination**

Contractors Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S. Title 12, Chapter 5.

Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination

hereof, unless otherwise directed in writing by the State Treasurer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

### **State's Contractual Remedies**

Liquidated damages. All recommendations for the assessment of liquidated damages are subject to the review, modification and approval of the Arizona State Treasurer's Office. Additional liquidated damages may be established as other State Agencies contract for the services contained within this contract.

It is agreed that any waiver of liquidated damages shall not constitute a future waiver of any liquidated damages.

All assessed liquidated damages must be paid within thirty (30) calendar days of written notification.

There shall be no prorated damages for partial periods. For example, if penalties are five hundred dollars (\$500.00) per minute and the penalty period is 8 eight seconds, the penalty shall be \$500.00.

The Contractors shall not be required to pay liquidated damages for delays due to matters as described in the "Force Majeure" section of this contract, for delays caused by the States actions, for delays due to changes which are requested in writing by the State of Arizona or for time delays specifically approved, in writing, by the State of Arizona.

For purposes of this section, "day" or "calendar day" shall be defined as a 24-hour period, commencing at 12:00 a.m. and ending at 11:59 p.m.

Assessment of liquidated damages shall not be exclusive or in any way limit any other remedies available to the State of Arizona for Contractor's breach in equity or law.

In the event that the online operations do not commence within the specified time schedule, if is a computer malfunction, outage, or if the end user is otherwise unable to transact any on-line transactions, the Contractor shall pay to the State of Arizona as liquidated damages, the amount of one thousand dollars (\$1,000.00) per day.

In the event of failure to provide interface of data or interface files of transactions or the incorrect interface of data or interface files, the Contractor shall pay to the State of Arizona as liquidated damages, the amount of two hundred and fifty dollars (\$250.00) per hour, per occurrence.

In the event that the Contractor fails to comply with the confidentiality of

Taxpayer Information contained within Special Terms and Conditions of this Request for Proposal, the Contractor shall pay to the State of Arizona one thousand dollars (\$1,000.00) per occurrence per payment.

Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the State Treasurer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.

Stop Work Order. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The State Treasurer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

## ***Contract Termination***

Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.

Termination for Convenience. The State reserves the right to terminate the Contract in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

## ***Termination for Default***

In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The State Treasurer shall provide written notice of the termination and the reasons for it to the Contractor.

Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

Arbitration. The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S § 12-1518, except as may be required by other applicable statutes (Title 41).

## **Scope of Work**

### ***Functional Description***

The interactive Voice Prompted Payment Activity, Interactive Internet-Based Payment Activity, and Over the Counter Payment Activity describe the specific functional requirements applicable to each payment activity. The following are applicable to all payment activities:

- A separate file shall be retrieved by the State upon notification detailing the payment transaction information. The file must contain sufficient transaction information to allow the State to identify the taxpayer and the tax account to which the payment is to be credited. The amount remitted to the State shall never be an amount less than the amount of taxes which the taxpayer directed to be paid to the State when the taxpayer either placed the call, initiated the internet-based transaction with the Contractor or swiped the credit card using a terminal at any one of the State locations. Convenience fees are added to the amount the taxpayer is requesting to be paid. The extent and formation of information required for the payment information file is detailed in Attachment 1 (Payment Information File Fields).

### ***Interactive Voice Prompted Payment Activity***

This feature will be implemented after the web based solution is complete. The system of accepting calls and processing payment transactions shall function as follows:

- The Contractor shall provide the associated telephone number(s) to the State.
- The State will make the telephone number(s) and details of the payment opportunity available to the taxpayer appropriately. Taxpayers may then dial the number to access the Contractor's facility to remit tax payments to the State by using a credit card through the interactive voice response system provided by the Contractor on behalf of the State.
- Contractor will provide voice messages and prompts designed to prompt callers to provide information necessary to identify the taxpayer and post the payment when dialing the toll-free access number(s). The texts of the messages and prompts shall only become "live" after written approval by the State. The messages shall prompt the taxpayer so the Contractor can:

- a. Obtain necessary information on the caller's desired transaction and ability to provide payment transaction information back to the State (information required detailed in Attachment 1).
  - b. Obtain authorization to verify payer's card is valid.
  - c. Collect the paid amount for the State's merchant card contactor.
  - d. Withdraw the fee charged from the gross receipts. The funds remitted will never be less than the amount of tax specified to be paid by the taxpayer.
  - e. Contractor must submit file(s) to State's Merchant Provider at a minimum of once daily. The Contractor must meet required cutoff times for next day funding.
  - f. Contractor will provide a confirmation to the taxpayer that would include the assignment of a unique transaction confirmation number.
- Contractor will provide voice messages designed to re-direct callers to another source at the time the period of contract under this Agreement expires or upon contract cancellation for a 30 day time frame. The texts of the messages shall only become "live" after written approval by the State.

### ***Interactive Internet-Based Payment Activity***

The system of accepting and processing internet-based payment transactions shall function as follows:

- The Contractor shall install a secure website link and provide the associated address to the State.
- The secure website shall be able to accept transactions in a stand-alone mode (information required detailed in Attachment 1) and provide the capability of an interactive link with the Arizona Taxpayer Service Center. The site must be able to accept securely passed information from the Arizona Taxpayer Service Center in the URL string which will provide partial transaction identification information to reduce the amount of entry required by the taxpayer.
- The State will make the secure website address and details of the payment opportunity available through the Contractor's facility known to appropriate taxpayers. Taxpayers may be directed through an interactive link from the Arizona Taxpayer Service Center to the Contractor's facility or have direct access provided by the Contractor on behalf of the State to remit tax payments to the State using a credit card. This must be a branded site approved by the State.
- The Contractor will provide instructions and interactive prompts designed to prompt taxpayers to provide information necessary to identify the taxpayer and post the payment from the secure website. The texts of the messages and prompts shall only become "live" after written approval by

the State. The messages shall prompt the taxpayer so the Contractor can:

- a. Obtain necessary information on the taxpayer's desired transaction and the ability to provide payment transaction information back to the State (information required detailed in Attachment 1).
  - b. Obtain authorization to verify payer's card is valid.
  - c. Collect the paid amount for the State's merchant service provider.
  - d. Withdraw the fee charged from the gross receipts. The funds remitted will never be less than the amount of tax specified to be paid by the taxpayer.
  - e. Contractor must submit file(s) to State's Merchant Provider at a minimum of once daily. The Contractor must meet required cutoff times for next day funding.
- Contractor will provide a confirmation to the taxpayer that would include the assignment of a unique transaction confirmation number.
  - Contractor will provide instructive messages designed to re-direct taxpayers to another source at the time the period of contract under this Agreement expires or upon contract cancellation. The texts of the messages shall only become "live" after written approval by the State.

### ***Over the Counter Payment Activity***

The solution shall be implemented after the Internet based and Telephone based solutions are installed. The successful bidder will provide a solution that shall function as follows:

- The Contractor shall install a system that will enable the department to accept credit card payments via a terminal from multiple site locations.
- The solution must
  - Allow the taxpayer to enter the transaction amount
  - Notify the taxpayer of the convenience fee amount
  - Present the taxpayer with options to accept or deny the fee and transaction.
  - Pass the transaction information onto the credit card issuer for card validation and transaction approval
  - Allow the card issuer to delivery an approval number or decline message in real time
  - Pass information back to the terminal for signing by the customer.
- The solution must be capable of integration with department cash register / Point of Service (POS) software.
- Capture necessary information on the taxpayer's desired transaction and the ability to provide payment transaction information back to the State (information required detailed in Attachment 1).



- Provide for each credit card terminal to settle (end of day processing) transactions processed and from multiple locations.
- The solution must provide sufficient transaction detail and reports for review, reconciliation, balancing and end of day processing.
- Collect the paid amount for the State's merchant service provider.
- Withdraw the fee charged from the gross receipts. The funds remitted will never be less than the amount of tax specified to be paid by the taxpayer.
- Contractor must submit file(s) to State's Merchant Provider at a minimum of once daily. The Contractor must meet required cutoff times for next day funding.
- Processed payment information must be provided as indicated in Attachment 1.
- Provide a payment solution that allows the department to follow both the Convenience Fee and Non-Convenience Fee models.

### ***Physical Infrastructure & Operational Requirements***

- The Contractor will, at its expense, furnish and maintain all equipment, terminals, related software and communication lines needed to perform the required service(s). The system interactive Internet-Based Payment System will be fully functioning no later than two (2) months from date of the agreement signing by the State.
- The Contractor shall install and operate the system(s) at a location it owns or leases for the purposes of this agreement; the State's facilities will not be made available.
- The interactive voice, web-based and terminal prompts will be developed by the Contractor in consultation with the State. Interactive prompts will not be placed into service without prior written approval of the State. The interactive voice response, terminal and the interactive web-based site must clearly state to the taxpayer that a convenience fee is charged by the provider for the convenience of using the service, and must state to the taxpayer the amount of the fee. It must be clear to the taxpayer the fee is not a payment to the State.
- All taxpayer payment information and information related to the Contractor's fund transfers to the State must have one-hundred percent (100%) accuracy rate.
- The identifying data collected from transactions between 12:00 am and 12:00 pm MST shall be made available to the state within six (6) hours after the conclusion of the business day.
- The format for the transmitted information will be designated to the Contractor by the State upon agreement signing. The contents shall be based upon the Payment Information File Fields, Attachment 1. The minimum information required from the Contractor with each funds transfer is the taxpayer identification (Withholding – nine-digit (9) Federal

Employer Withholding Number; Corporate – nine-digit (9) federal identification number, TPT – eight-digit (8) Arizona TPT license number, Individual – nine-digit (9) primary social security number), tax type(s), tax period(s) to which the payment applies, amount type (i.e. tax), payment amount, and confirmation number generated by the Contractor. In the event a reference number was provided during an interactive transaction link between the Arizona Taxpayer Service Center and the Contractor's website, the reference number is required to be included in the transmitted file. Note: Format of taxpayer identification field is subject to change.

### ***Reports/File:***

- The Contractor shall, on a daily basis provide, at no additional cost to the State, transaction reports, by means and in a format acceptable to the State, that permit the State to verify all charges made to the taxpayers, fees collected by the Contractor, and transmissions/deposits to the State. The State is requesting the Contractor make available downloadable text files in a comma delimited format for each settlement day. All fields that are associated with the settlement of transactions must be included in the downloadable file. The reports must enable the State to reconcile payments with deposits. Payments must balance with deposits.
- Cumulative reports of records of telephone calls, internet-based transaction activity, terminal activity and any other related activity must be kept on a real-time basis and available on demand by the State. The reports must provide data which can be analyzed to determine transaction volumes by hour of the day and day of the week, volumes of calls or internet-based transactions, hang ups, incomplete transactions, etc.

### ***Credit Card Merchant Fees:***

- The Contractor shall pay the credit card discount rate and all associated processing fees associated with the States merchant's Service Provider. The amount remitted to the State shall never be an amount less than the amount of taxes which the taxpayer directed to be paid to the State when the taxpayer either placed the call, initiated the internet-based transaction with the Contractor or swipes the card using a terminal.
- Provide a narrative on proposed ideas for chargebacks.
- No charges other than those specifically authorized by this Agreement may be charged to the taxpayer or to the State by the Contractor without advance written consent from the State.
- Amounts charged for any of the fees that are authorized under this Agreement or which may be authorized in any subsequent modification shall not exceed the amounts the State agreed may be charged. The

structure of fees and charges are contained in Attachment 2. The attachment containing the fees and charges may be modified by mutual agreement from time to time. Modifications (changes in the fee structure and the amounts applicable) may not be placed into effect by the Contractor without the advance written approval of The State Treasurer's Office.

### ***System Warranties***

The Contractor hereby warrants and represents to the State as follows:

- Ownership. The Contractor is the owner of the software system(s) or otherwise has the rights to grant the State use as set forth in this Agreement without violating any rights of any third party, and there is currently no actual or threatened suit by any such third party based on an alleged violation of such right by the Contractor.
- Business Requirements. The Contractor is fully aware of the State's business requirements and intended use of the service(s) and the service(s) provided. The Contractor shall satisfy such requirements and be fit for such intended uses.
- Warranty Period. For a warranty period equivalent to the period of performance described in the term of contract, the software used to provide the service(s) shall not contain any defects and shall function properly and in conformity with the description and specifications set forth in Scope of Work. The Contractor's system(s) and transmitted payment files shall in no way degrade or cause harm to any of the State's systems with which interaction is required.

### ***System Maintenance***

- Maintenance of the system(s) for the life of the agreement will be provided at no cost to the State. The Contractor will provide twenty four (24) hour seven (7) days a week maintenance to insure minimal "down" time and maximum availability of the service(s) to the public.

### ***System Modifications***

- The Contractor shall be able to modify its system(s) to accommodate additional tax payment types and tax programs as may be required. Additional tax and payment types will be implemented using the same general requirements including record formats and data transmission methods. Prompts will be determined at the time additional tax or payment types are added.

## ***Inspection and Acceptance***

- Inspection of the quality, completeness, and acceptability of delivered work shall be by the State appointed Contract Administrator prior to the final acceptance by the State. The Contractor shall successfully conduct all of its own testing procedures on the software system(s) used to provide the service(s) to the State. Thereafter, upon reasonable advance notice to and in the presence of representatives of the State, the Contractor shall conduct the acceptance testing procedure using a sample of data supplied by the State. Upon successful completion of every element of the acceptance testing procedure set forth in Attachment 3, Acceptance Testing Procedures, the State shall execute a written notice of acceptance of the service(s). In the event that the Contractor fails to pass any of the State's testing procedures or the acceptance test set forth in Attachment 3, the Contractor shall have fourteen (14) days in which to correct such defect and successfully pass all such tests, failing which the State may elect to cancel this Agreement.

## ***Deliverables***

- Schedule of deliverables related to the Installation and Commencement of Operations: The system(s) will be installed and functioning no later than two (2) months from date of the agreement signing by the State.
- Schedule of deliverables for Originations and Transmission of accumulated transactions:
  - a. Call Center Operation – Continual
  - b. Secure Website Operation – Continual
  - c. Transaction Reports – Daily
  - d. Call, Internet Transaction and terminal Activity – Continual Accumulation, Deliverable On Demand
  - e. Payment Information File To the State's Merchant Processor – Daily
  - f. Downloadable text files containing payment information for research and reconciliation purposes.

## ***Expected Volumes***

- There is no guarantee to the volume of transactions to be performed or utilization of the system(s) by taxpayers. The current taxpayer filing population base is as follows: Transaction Privilege – 150,000, Withholding – 100,000, Corporate – 116,000, Individual Income – 2.3 million.

## ***Planned Product Developments***

- The State expects to install a new cashier system during the period this contract is in effect. The new cashier system will include, at a minimum, the current cashier functionality and may include additional functionality such as credit card processing and ACH check processing. The system will provide point of sale processing for individual income, Transaction Privilege Tax, Use Tax Corporate Income and Withholding tax types; and other forms of payments such as waste tire, bonds, and seizure expenses.

## ***Federal Immigration and Nationality Act***

- The contractor shall comply with all Federal, State and Local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.

## ***Disaster Recovery***

- The successful Contractor is required to maintain a tested disaster recovery and business continuity plan throughout the term of the contract resulting from this RFP. This plan, along with any modifications or testing results will be available for review by the Arizona State Treasurer's Office with notice.
- At a minimum, such disaster recovery plan will include information regarding the steps taken to avoid interruptions in service availability to the State of Arizona. The plan must address the recovery time objective (RTO), the recovery point objective (RPO), the establishment of a minimum level of critical support, and a maximum tolerable downtime. Additionally, the plan will include information regarding at least one alternative processing facility, its capacity and capability levels, along with specific methods to provide access to banking information if the primary electronic banking system is out of service.

## ***Technical Services***

- The scope of services is specific to the support of the technical environment as described in this Request for Proposal (RFP) and the performance of activities required ensuring the services provided are secure, reliable, and operational. Contractor agrees to provide technical support regarding technical questions or problems associated with each service.

### ***Primary Processing Center***

- The scope of services shall also apply to the establishment and maintenance of the primary processing center. Contractor will provide the communication lines and ensure the lines are in working order. Contractor will periodically test and communicate to DOR its disaster recovery plan and business continuity plan to ensure uninterrupted service.

### ***Service Availability***

- The processing service described in this RFP shall be available 24 hours per day, 7 days per week. Regular staff schedule shall be 8:00 a.m. – 5:00 p.m. Standard/Mountain Time (Monday thru Friday). On-call schedule/hours shall be as needed. Maintenance shall be performed during periods of low processing volume. The Contractor shall provide the State with seven days of advance notice of any scheduled maintenance that will result in any system unavailability. Email notifications for change outages shall be sent weekly and forwarded by Contractor to the State's help desk at [HelpDesk@azdor.gov](mailto:HelpDesk@azdor.gov).

### ***Emergency Maintenance Windows***

- If system emergency maintenance is required, it shall be scheduled for as soon as practicable.

### ***External Vendor Maintenance Windows***

- Alternate periods may be reserved for vendor maintenance that are outside the documented scheduled and/or emergency maintenance windows. Velocity Payment System will be moved to redundant system / sites prior to maintenance being performed, if practicable.

### ***Prioritization of Services***

In general, the following priorities will be assigned for production support items:

- Priority 1 – Outages and transaction failure events **greater than 15%.**
- Priority 2 – All other transaction failure events **less than 15%.**

- Priority 3 – User support requests (for services in production), such as firewall changes, IP changes, etc.

## ***Service Levels***

- Contractor's electronic payment system shall be available 99.9% of the total minutes in a calendar month. This shall exclude periods when third party networks, issuers, associations or communications carriers experience outages or scheduled maintenance time. Contractor shall give the State at least seven (7) days advance written notice or as much notice as practicable of the scheduled maintenance time and the length of the scheduled maintenance.
- Priority 1 problems - Contractor shall provide feedback on the status of the problem within thirty (30) minutes and update the State on the current status of the problem.
- Priority 2 problems - Contractor shall provide feedback on the status of the problem within one (1) hour of opening a problem ticket (24x7), 99.9% of the time each month. If such problem is reported outside normal business hours, this status feedback may be provided via email notification or telephone to the State's (DOR) helpdesk.
- Priority 3 problems - Contractor shall provide feedback on the status of the request within eight (8) hours during normal business hours, 99.9% of the time each month. The eight (8) hour response window may span multiple calendar days depending upon the time of day this type of request is originally reported. Status feedback may be provided via email notification or telephone.

## ***Incident Management***

- Contractor shall respond by either telephone or email to any incident reported as outlined below

## ***Incident Escalation Process***

- STEP 1: Call the DOR Help Desk at 602-716-7776. Identify yourself and your company. Provide any pertinent information that may assist in resolving the incident. Ensure that DOR is given a problem / trouble record number for your reference.

- STEP 2: If after thirty (30) minutes DOR is not satisfied with the progress, request escalation to the Shift Manager. Please use the telephone number provided above and refer to the problem/trouble record number when escalating.
- STEP 3: If after sixty (60) minutes DOR is not satisfied with the progress, request escalation to the Director. If after hours or during off shift, please have the shift manager in STEP 2 page the on-duty Director .
- STEP 4: If after two (2) hours DOR is not satisfied with the progress, request escalation to the Vice President of IT Operations. If after hours or during off shift, please have the shift manager in STEP 2 page the VP of IT Operations.
- STEP 5: If after three (3) hours DOR is not satisfied with the progress, request escalation to the Senior Vice President.

### ***Problem Management***

- Contractor shall provide 24 X 7, multi tiered, proactive monitoring and support for the switches and networks. DOR shall be notified immediately as soon as an issue with connectivity is detected and shall be provided with complete and detailed transaction log from initiation or through termination message.



# Attachment 1

## PAYMENT INFORMATION FILE FIELDS

### Notes and Definitions:

#### 1. (01) Taxpayer Identification: (Format of this field is subject to change)

NOTE: This field MUST be strictly numeric, DO NOT use the alpha character or the hyphen. Maximum field length is nine spaces. If the eight digit Transaction Privilege Tax (TPT) license number, nine digit FEIN or SSN is used, it must be right justified in the field. If your program requires the entire field to be filled, add leading zeros to the left side of the field.

INDIVIDUAL: this will be your nine (9) digit Social Security number.

WITHHOLDING: this will be your nine (9) digit FEIN.

CORPORATE: this will be your nine (9) digit Federal ID number.

TPT: this will be your eight (8) or ten (10) digit Arizona TPT license number.

#### 2. (02) Tax Type Code:

INDIVIDUAL ESTIMATED PAYMENTS – use 012 for estimated payments followed by the estimate quarter. This will indicate which quarter the estimated payment is to be applied. It must be a two digit number, 01 through 04. (Example: The estimated payment for the 2nd quarter would be 01202).

INDIVIDUAL EXTENSION REQUEST PAYMENTS – use 014 followed by 00.

ALL OTHER INDIVIDUAL PAYMENTS – use 013 followed by 00.

WITHHOLDING--use 011 followed by 00.

CORPORATE--use 021 for estimated payments followed by the estimate quarter. This will indicate which quarter the estimated payment is to be applied. It must be a two digit number, 01 through 04. (Example: The estimated payment for the 2nd quarter would be 02102).

CORPORATE EXTENSION REQUEST PAYMENTS – use 023 followed by 00.

ALL OTHER CORPORATE PAYMENTS--use 022 followed by 00.

TPT--use 041 followed by the TPT liability month. This will indicate what month the TPT payment is to be applied. It must be a two digit number, 01 through 12.

(Example: The TPT payment for the liability for the month of January would be 04101).

TPT Estimated Payments--use 042 followed by 06. This will indicate this is the TPT estimated payment due in June.

3. (03) Tax Period End Date must be in YYMMDD format.

Individual must be the Tax Year End Date.

Withholding must be the Quarter End Date, not the payroll end date. The Arizona Department of Revenue computer system uses the Quarter End Date to determine the quarter the payment is to be applied to. It is the taxpayer's responsibility to specify which quarter the payment is to be applied to.

Corporate must be the Fiscal Year End Date the estimated payment will be claimed in.

TPT must be the Month End Date of the month of the liability that is being paid.

4. Amount Type is used to identify the type of amount the follows.

Tax is "T".

5. Amount Field is strictly numeric with no decimal.

#### Example #1 WITHHOLDING

Taxpayer Identification Number: 12-3456789

Payment Due Date: October 20, 2011 Payment Amount:  
\$33,000.11

TXP Record Layout for above example:

TXP\*999121234\*01100\*111231\*T\*3300011\

#### Example #2 CORPORATE

A) Taxpayer Identification Number: 86-0000001

Payment Due Date: November 15, 2011 (First Quarter Estimate)

Fiscal Year End: July 2012

Payment Amount: \$100,200.00

TXP Record Layout for above example:  
TXP\*860000001\*02100\*120731\*T\*0010020000\

B) Taxpayer Identification Number: 86-0000001  
Payment Due Date: November 15, 2012 (Extension)  
Fiscal Year End: July 2012  
Payment Amount: \$50,100.00

TXP Record Layout for above example:  
TXP\*860000001\*02300\*120731\*T\*0005010000\

C) Taxpayer Identification Number: 86-0000001  
Payment Due Date: November 15, 2012 (Return Payment)  
Fiscal Year End: July 2012  
Payment Amount: \$100.00

TXP Record Layout for above example:  
TXP\*860000001\*02200\*120731\*T\*0000010000\

#### Example #3 TPT

Taxpayer Identification Number: 07-123456 L  
Liability Month (Through Date): January 31, 2012  
Payment Due Date: February 25, 2012 (Regular Monthly Payment)  
Payment Amount: \$123,456.78

TXP Record Layout for above example:  
TXP\*07123456\*04100\*120131\*T\*0012345678\

#### Example # 4 TPT Estimated Payment

Taxpayer Identification Number: 10-987654 K  
Payment Due Date: June 25, 2012 (Annual Estimated Payment)  
Payment Amount: \$200,000.00

TXP Record Layout for above example:  
TXP\*10987654\*04200\*120630\*T\*0020000000\

#### Example #5 INDIVIDUAL

A) Taxpayer Identification Number: 111-22-3333  
Payment Due Date: April 17, 2012 (First Quarter Estimate)  
Tax Year End: December 31, 2012  
Payment Amount: \$1,200.00

TXP Record Layout for above example:

TXP\*111223333\*01200\*121231\*T\*0000120000\

B) Taxpayer Identification Number: 111-22-3333

Payment Due Date: October 15, 2012 (Extension)

Tax Year End: December 31, 2011

Payment Amount: \$5,100.00

TXP Record Layout for above example:

TXP\*111223333\*01400\*111231\*T\*0000510000\

C) Taxpayer Identification Number: 111-22-3333

Payment Due Date: April 15, 2012 (Return Payment)

Fiscal Year End: December 31, 2011

Payment Amount: \$200.00

TXP Record Layout for above example:

TXP\*111223333\*01300\*111231\*T\*0000020000\

## **Attachment 2**

### **SCHEDULE OF FEES AND CHARGES**

The Contractor is authorized to charge to taxpayers the following maximum amounts for tax payments made by credit card:

(Offerors to complete with proposed fee schedule)

(Will be incorporated as contractually binding upon award)

(All fees and charges must be in compliance with all card type regulations, including but not limited to VISA, MasterCard, Discover Card, and American Express.)

#### **Changes.**

Post-award changes in the Schedule of Fees and Charges in this attachment, which may be agreed upon between the Contractor and the State Treasurer's Office from time to time, are hereby considered as modifications to this Agreement and are herewith incorporated into this Agreement by this reference.

This particular copy of this document may not have the latest Schedule of Fees and Charges attached to it. See Introduction for the address and phone number of the Contracting Officer for the latest modification.

## **Attachment 3**

### **Acceptance Testing Procedures**

#### Interactive Voice Prompted Payment Activity

##### Testing Steps

1. Contractor provides toll-free access number to ADOR to initiate payment activity.
2. ADOR places call to toll-free access number and initiates payment activity for all approved tax types and payment types.
3. ADOR retrieves test payment detail deposit file from Contractor.
4. ADOR tests payment detail deposit information file.

##### Evaluation Criteria of Each Step

1. Access number is toll-free.
2.
  - a. Prompts are acceptable and approved by ADOR;
  - b. ability to initiate payment activity for all approved tax types and payment types;
  - c. confirmation number is provided.
3.
  - a. Deposit is made within 24 hours of payment initiation;
  - b. deposit information is correct.
4.
  - a. Transmission of file is within 24 hours of payment initiation;
  - b. payment information file is in correct format;
  - c. ADOR is able to identify where the payment is to be applied along with confirmation number verification.
5. Deposit amount matches to test payment information file.

#### Interactive Internet-Based Payment Activity

##### Testing Steps

1. Contractor provides secured website address to ADOR to initiate payment activity.
2. ADOR accesses Contractor's website directly to initiate payment activity for all approved tax types and payment types.
3. ADOR accesses Contractor's website interactively through the Arizona Taxpayer Service Center site to initiate payment activity for approved payment types.
4. ADOR retrieves test payment detail deposit file from Contractor.

5. ADOR tests payment detail deposit information file.

#### Evaluation Criteria of Each Step

1. Contractor's website is secure.
2.
  - a. Prompts are acceptable and approved by ADOR;
  - b. ability to initiate payment activity for all approved tax types and payment types.
3.
  - a. Ability for Contractor's site to accept passed information in the secure URL;
  - b. payment types;
  - c. confirmation number is provided.
4.
  - a. Deposit is made within 24 hours of payment initiation;
  - b. deposit information is correct.
5.
  - a. Transmission of file is within 24 hours of payment initiation;
  - b. payment information file is in correct format;
  - c. ADOR is able to identify where the payment is to be applied along with the confirmation number and reference number if applicable.
6. Deposit amount matches to test payment information file.

#### Interactive Terminal Payment Activity

##### Testing Steps

1. Contractor provides integrated and/or stand alone credit card terminals
2. ADOR creates transaction on department Point of Sale (POS) system or accesses Contractor's terminal to initiate payment activity for all approved tax types and payment types.
3. Contractor provides a file for ADOR to test
4. ADOR retrieves test payment detail deposit file from Contractor
5. ADOR tests payment detail deposit information file

#### Evaluation Criteria of Each Step

1. Contractor's credit card terminals are free of charge.
2. Prompts are acceptable and approved by ADOR
3. Ability to initiate payment activity for all approved tax types
4. Deposit is made within 24 hours of payment initiation
5. Deposit information is correct
6. Transmission of file is within 24 hours of payment initiation
7. Payment information file is in correct format

8. ADOR is able to identify where the payment is to be applied along with the confirmation number and reference number if applicable  
Deposit amount matches to test payment information file